

Smartlink US Dollar Managed Fund

April 2017



BLOOMBERG: AZUSMGD:IJ

INVESTMENT OBJECTIVE

The objective of the fund is to provide relatively stable income with capital preservation for the long term in U.S. Dollars.

INVESTMENT STRATEGY

To achieve the investment objective, this fund shall be invested 0-20% in short-term instruments (such as deposits), and 80-100% in the medium-or long-term instruments (such as government bonds, corporate bonds, and / or fixed-income funds), in U.S. Dollars.

PERFORMANCE INDICATOR

Return Performance

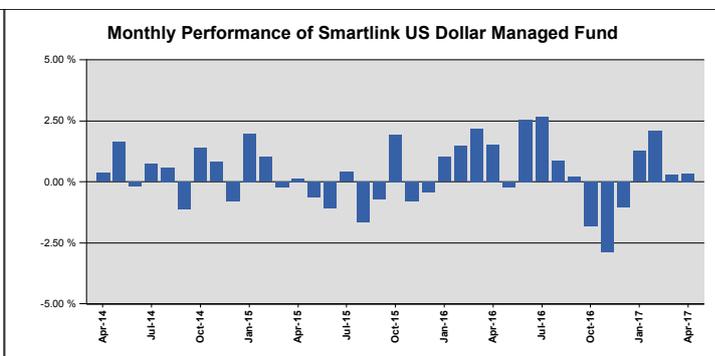
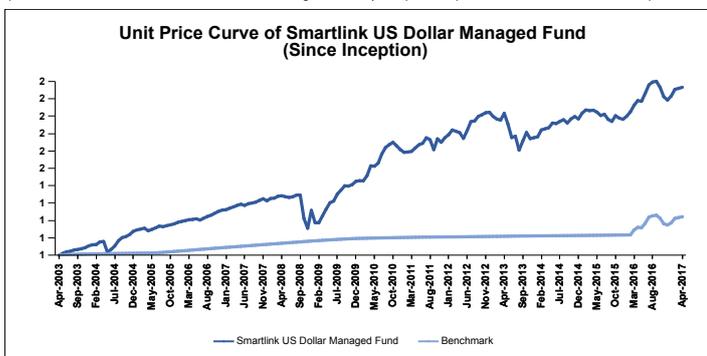
Last 1-year Period	4.22%
Best Month	9.61% Dec-08
Worst Month	-10.66% Oct-08

Portfolio Breakdown

Treasury Bonds	71.23%	Top Five Bonds Holding	
Govt. Related Bond	9.43%	RI-2024	5.81%
Cash/Deposit	19.34%	RI-2021	4.38%
		RI-2026	4.37%
		RI-2038	4.20%
		RI-2044	3.93%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink US Dollar Managed Fund	0.33%	2.75%	0.00%	4.22%	14.09%	4.05%	105.03%
Benchmark*	0.44%	3.22%	0.78%	5.69%	10.66%	4.37%	23.99%

*80% Bloomberg USD Emerging Market Indonesia Sovereign (BEMSID) Index and 20% Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank
(Benchmark assessment; before Mar 2016: Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank)



KEY FUND FACTS

Fund Size (in mio USD)	: USD 48.97
Risk Profile	: Moderate
Launch Date	: 07 Apr 2003
Fund Currency	: United States Dollar
Managed by	: PT Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily	
Price per Unit	Bid	Offer
(As of Apr 28, 2017)	: USD 1.9478	USD 2.0503
Bid-Offer Spread	: 5.00%	
Management Fee	: 1.00% p.a.	

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced April 2017 inflation at +0.09% mom (vs consensus +0.05%, -0.02% in Mar 2017), mostly was caused by higher administrated price (caused by higher electricity tariff as the second phase tariff adjustment for post-paid customers of non-subsidized 900 VA). On yearly basis, inflation was higher to +4.17% YoY (vs consensus +4.10%, +3.61% in Mar 2017). Core inflation was printed at +3.28% YoY (vs consensus +3.32%, +3.30% in Mar 2017). In the Board of Governors' Meeting on 18-20 Apr 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah depreciated by -0.05% to 13,327/USD at end of Apr 2017 from 13,321/USD in previous month. Trade balance booked a surplus of +US\$1.23bn (vs consensus US\$1.298bn) in Mar 2017, from +US\$1.32bn in Feb 2017. Export rose by +23.55%yoy, while imports rose by +18.19% YoY. Indonesia's foreign reserves increased \$1.4bn to \$123.25bn in Apr 2017 from \$121.81bn in Mar 2017. The increase was primarily due to foreign exchange receipts, especially from tax revenues and government oil & gas export proceeds, as well as auction of Bank Indonesia foreign exchange bills. Indonesia 1Q GDP expanded 5.01% yoy, vs consensus 5.10% yoy, and from 4.94% yoy in Q4 2016. From production segment, higher growth reached by information and communication sector at 9.10%. From expense segment, higher growth reached by export sector that grew 8.04%.

USD government bond yields closed lower across all curve in April 2017 due to higher inflow from offshore which was inline with US Treasuries movement. Positive sentiment came from Rating and Investment Information Inc. that raises outlook on Indonesia's sovereign credit rating from stable to positive; however people also concern on global political climate and rising geopolitical tensions. On Wednesday, April 26, 2017, Ministry of Finance has issued Government Debt Securities Euro Denominated in primary domestic market through Private Placement with the total amount of EUR50mn. The issuance consists of one series of non tradable government bond Fixed Rate (FR), coupon of 0.9% with tenor 3 years. Indonesia's CDS 5yr level relatively flat from 126/128 to 125/128. The 5Y yield Apr 2017 ended -8bps lower to 3.12% (3.20% in Mar 2017), 10yr tenor ended -8bps lower to 3.80% (3.88% in Mar 2017), and 30yr ended -1bps lower to 4.76% (4.77% in Mar 2017).

In regards to our recent portfolio strategy we maintain duration strategy (below benchmark duration) and will opportunistically add weight again should there be a correction in the fixed income market.